

Williams Motor Co. (Holdings) Limited

REPORT AND ACCOUNTS

31 December 2008

Registered number: 597708

MONDAY



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COMPANIES HOUSE

Williams Motor Co. (Holdings) Limited

Company Information

Directors

Mrs M M Orton Williams, BA
N J Cook, BSc, FCCA
N J Dunning
J A Fairbotham, FCA

Secretary

J Roberts

Registered office

6 Hadfield Street
Cornbrook
Manchester
M16 9FG

Bankers

The Royal Bank of Scotland
Corporate Banking
6th Floor
1 Spinningfields Square
Manchester
M3 3AP

Auditors

Baker Tilly UK Audit LLP
Chartered Accountants
3 Hardman Street
Manchester
M3 3HF

Williams Motor Co. (Holdings) Limited

Directors' Report

The directors have pleasure in presenting their report and audited accounts for the year ended 31 December 2008.

Principal activities

The principal activities of the company and its subsidiaries are the sale and service of new and used motor vehicles, and the sale of parts and accessories.

Business review and future developments

The Group's key financial and other performance indicators during the year were as follows:

	2008 £000	2007 £000	Change %
Turnover	244,418	270,159	-9.5
Gross Profit	26,422	32,581	-18.9
Operating profit	849	5,764	-85.3
(Loss)/profit before taxation	(635)	4,020	-115.8
Shareholders' funds	25,825	27,100	-4.7
Average number of employees	573	571	0.4

For the first time in many years the Company incurred a loss, despite trading profitably for the first six months of the year. The primary reason for this loss was the collapse in the new and used car market in the second half of the year. New car volumes decreased significantly and used car values fell at levels not previously experienced in the Company's history. Despite the Group significantly reducing its cost base and working capital, we were unable to counter the impact of the falling market.

The contribution from aftersales held up well, considering the drop in new car volumes with service absorption rising from 84.8% to 87.3%.

We anticipate 2009 will be another difficult year with the UK economy in recession and the new car market falling further.

Results and dividends

Group turnover amounted to £244.4 million (2007 £270.2 million) and the loss before taxation was £ (0.6) million (2007 profit £4.0 million). After providing for dividends, taxation and an actuarial loss on the pension scheme, the loss of £ (1.3) million (2007 profit £2.2 million) has been deducted from reserves.

The directors recommended and paid an interim dividend of £287,535 and a final dividend for 2007 of £457,444 during the year.

Williams Motor Co. (Holdings) Limited

Directors' Report

Principal risks and uncertainties

The group operates franchised motor vehicle dealerships which are awarded by the vehicle manufacturers. They also provide sales incentives, warranty and other programmes to promote and support vehicle sales and other products and services.

With the UK in recession and the motor industry being particularly hard hit, indications are that the difficult market conditions are set to continue and this is likely to result in reduced volumes and margins for the foreseeable future. There are some early signs of improvement in the first quarter of 2009 as the significant market price realignment seen at the end of 2008 has started to bottom out. The Group will nonetheless continue to focus on areas within its control and look to further reduce its cost base whilst optimising performance.

In early 2009 the Group completed the latest stage of its dealership development programme, relocating to a new dealership in Bolton in February 2009. Further developments have been put on hold until the market conditions improve. This investment programme has resulted in higher borrowings, the necessary facilities being in place. The Group has hedged against future interest rate rises having entered into interest rate swaps totalling £15.0m at a fixed rate linked to the London Interbank Offered Rate (LIBOR) of 4.25% until October 2011. Cover will be reviewed on an ongoing basis as part of the Group's management of risk.

Fixed assets

Movements in fixed assets during the year are set out in the notes to the accounts.

In the opinion of the directors the market value of freehold and leasehold property exceeds the amount at which they are stated in the accounts.

Charitable and political donations

Donations for charitable purposes in 2008 were £8,777 (2007: £3,395). Of these donations £8,000 were for educational purposes and £777 was for social assistance. There were no donations for political purposes in the year.

Directors and their interests

The directors of the company at 31 December 2008 and their interests in the shares of the company, as recorded in the register of directors' interests, were as follows:

		Shareholdings at 31 December 2008		Shareholdings at 31 December 2007	
		Ordinary		Ordinary	
		B	C	B	C
Mrs M M Orton Williams		2,480	62,560	2,480	62,560
N J Dunning		200	10,541	200	10,541
N J Cook		100	1,768	100	1,768
J A Fairbotham		-	-	-	-
Mrs M M Orton Williams	) as	110	20,064	110	20,064
N J Cook	) trustees	110	20,064	110	20,064

No right to subscribe for shares in or debentures of the company was granted or exercised during the year.

A Directors and Officers liability policy was in place during the financial year.

Williams Motor Co. (Holdings) Limited

Directors' Report

Disabled persons

The group gives full consideration to applications for employment from disabled persons where the requirements for the job can be adequately fulfilled by a handicapped or disabled person.

Where existing employees become disabled, it is the group's policy, wherever practicable, to provide continuing employment under normal terms and conditions and to provide training and career development and promotion, wherever appropriate.

Employee information

The Group has continued its practice of keeping employees informed of matters affecting them as employees and the financial and economic factors affecting the performance of the group.

Future developments and post balance sheet events

Subsequent to the year end the Group completed and moved into new dealership premises in Bolton

Statement as to disclosure of information to auditors

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant information of which the auditors are unaware. Each of the directors has confirmed that they have taken all steps that they ought to have taken as directors to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditors.

Auditors

The directors resolved that Baker Tilly UK Audit LLP be reappointed auditor in accordance with the provisions of the Companies Act 1989, s26(5). Baker Tilly UK Audit LLP has indicated its willingness to continue in office.

On behalf of the Board



J Roberts
Secretary

4 May 2009

Williams Motor Co. (Holdings) Limited

Directors' responsibilities in the preparation of financial statements

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Company and of the Group, and of the profit or loss of the Group for that period.

In preparing these accounts we are required to:

- select suitable accounting policies and apply them consistently;
- make reasonable and prudent judgments and estimates;
- state whether applicable accounting standards have been followed, and give details of any departures;
- prepare the accounts on a going concern basis unless, in our view, the Group and the Company will be unable to continue in business.

We are also responsible for:

- keeping proper accounting records;
- safeguarding the company's assets;
- taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF WILLIAMS MOTOR CO. (HOLDINGS) LIMITED

We have audited the financial statements on pages 7 to 28.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition, we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

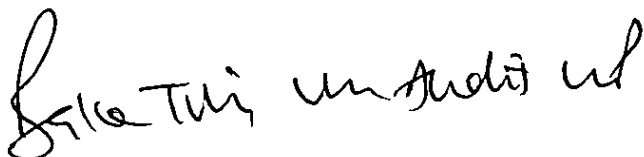
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Group's and the parent company's affairs at 31 December 2008 and of the Group's loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.



BAKER TILLY UK AUDIT LLP
Registered Auditor
Chartered Accountants
3 Hardman Street
Manchester
M3 3HF

5 May 2009

Williams Motor Co. (Holdings) Limited

Group Profit and Loss Account

for the year ended 31 December 2008

	Note	2008 £000	2007 £000
Turnover	1	244,418	270,159
Cost of sales		(217,996)	(237,578)
Gross profit		<u>26,422</u>	<u>32,581</u>
Selling and distribution costs		(6,892)	(6,999)
Administrative expenses		(18,681)	(19,818)
Operating profit	2	<u>849</u>	<u>5,764</u>
Interest payable (net)	5	(1,484)	(1,744)
(Loss)/profit on ordinary activities before taxation		<u>(635)</u>	<u>4,020</u>
Taxation	6	316	(1,286)
(Loss)/profit for the financial year		<u><u>(319)</u></u>	<u><u>2,734</u></u>

All of the activities of the group are classed as continuing.

The notes on pages 11 to 28 form part of these accounts.

Williams Motor Co. (Holdings) Limited
Group Statement of Total Recognised Gains & Losses
for the year ended 31 December 2008

	Note	2008 £000	2007 £000
(Loss)/profit for the financial year		(319)	2,734
Movement in actuarial deficit in the pension scheme	4	(284)	308
Deferred tax relating to the actuarial movement on the pension scheme		73	(99)
Total (losses)/gains relating to the year		<u>(530)</u>	<u>2,943</u>

Williams Motor Co. (Holdings) Limited

Balance Sheet

31 December 2008

		Group		Company	
	Note	2008 £000	2007 £000	2008 £000	2007 £000
Fixed Assets					
Goodwill	8	1,903	2,083	-	33
Tangible assets	9	35,922	28,470	35,792	28,361
Investments	10	-	-	6,636	6,636
		<u>37,825</u>	<u>30,553</u>	<u>42,428</u>	<u>35,030</u>
Current Assets					
Stocks	11	32,243	48,942	28,081	44,664
Debtors	12	6,704	8,283	6,401	7,721
Cash at bank and in hand		6	32	6	32
		<u>38,953</u>	<u>57,257</u>	<u>34,488</u>	<u>52,417</u>
Creditors: amounts falling due within one year	13a	(32,490)	(43,631)	(39,779)	(50,975)
Net current assets/(liabilities)		<u>6,463</u>	<u>13,626</u>	<u>(5,291)</u>	<u>1,442</u>
Total assets less current liabilities		<u>44,288</u>	<u>44,179</u>	<u>37,137</u>	<u>36,472</u>
Creditors: amounts falling due after more than one year	13b	(18,006)	(16,686)	(18,006)	(16,686)
Provisions for liabilities and charges					
Deferred Taxation	14	(457)	(393)	(513)	(394)
		<u>25,825</u>	<u>27,100</u>	<u>18,618</u>	<u>19,392</u>
Capital and reserves					
Called up share capital	16	261	261	261	261
Share premium account	17	124	124	124	124
Profit and loss account	17	25,440	26,715	18,233	19,007
Equity shareholders' funds	15	<u>25,825</u>	<u>27,100</u>	<u>18,618</u>	<u>19,392</u>

The accounts on pages 7 to 28 were approved by the board of directors and authorised for issue on 4 May 2009 and are signed on its behalf by:

M M Orton Williams

N J Cook

) Margaret Orton Williams
) Directors
) N J Cook

The notes on pages 11 to 28 form part of these accounts.

Williams Motor Co. (Holdings) Limited

Group Cash Flow Statement

for the year ended 31 December 2008

	Note	2008 £000	2007 £000
Net cash inflow from operating activities	18	10,169	9,170
Returns on investments and servicing of finance			
Interest received		225	19
Interest paid		(1,706)	(1,731)
Interest element of finance lease rental payments		(51)	(78)
Net return on the pension scheme		48	46
		(1,484)	(1,744)
Taxation			
UK corporation tax paid		(483)	(1,696)
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets		(8,013)	(953)
Receipts from sales of tangible fixed assets		27	55
		(7,986)	(898)
Equity dividends paid		(745)	(745)
Financing			
New loans		2,250	-
Repayment of loans		(900)	(924)
Movement on vehicle finance loans		3,241	(20)
New finance leases		32	-
Capital element of finance lease rental payments		(14)	(114)
		4,609	(1,058)
Increase in cash	18	4,080	3,029

Further details are given in note 18.

The notes on pages 11 to 28 form part of these accounts.

Williams Motor Co. (Holdings) Limited

Accounting Policies

Basis of accounting

The accounts have been prepared in accordance with applicable accounting standards and under the historical cost convention. No separate profit and loss account is presented for the company as provided by section 230 of the Companies Act 1985.

Basis of consolidation

The group accounts consolidate the accounts of Williams Motor Co. (Holdings) Limited and its subsidiaries. Intra group transactions, balances and profits are eliminated on consolidation.

Turnover

Turnover represents the value of goods and services, excluding value added tax, invoiced to third parties. Income is recognised when vehicles are delivered or paid for in full, when parts have been supplied and services have been provided.

Depreciation

Depreciation of fixed assets is charged by equal annual installments commencing with the year of acquisition at rates estimated to write off their cost or valuation, less any residual value, over the expected useful lives which are as follows:

Land and buildings	Up to a maximum of fifty years
Plant and equipment	Up to a maximum of ten years
Motor vehicles	Up to a maximum of four years

During the year, the Group reviewed the depreciation rates applicable to certain items of plant and equipment to more fairly reflect the expected useful lives of the assets concerned. As a result of this review, the depreciation charge for the year was reduced by £406,000.

Amortisation

Goodwill arising on acquisitions is capitalised as an intangible fixed asset and amortised on a straight line basis over its useful economic life of between 5 and 20 years.

Impairment

The carrying values of tangible and intangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

Leases and hire purchase contracts

Tangible fixed assets acquired under finance leases and hire purchase contracts are capitalised at their estimated fair value at the date of inception of each lease or contract. The total finance charges are allocated over the period of the lease in such a way as to give a reasonably constant charge on the outstanding liability.

Rentals paid under operating leases are charged to income as incurred.

Williams Motor Co. (Holdings) Limited

Accounting Policies

Stocks

Stocks, including work in progress, are valued at the lower of cost and net realisable value. Cost of vehicles and parts stock represents the purchase price plus any additional costs incurred. Where necessary, provision is made for obsolete, slow moving and defective stock. Cars used for demonstration purposes are valued at cost less an appropriate charge for use.

Vehicles on consignment are included in stock when substantially all of the principal benefits and inherent risks rest with the Group. The corresponding liability is included under creditors.

Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Defined benefit pension scheme

The pension scheme assets are measured using market values. Pension scheme liabilities are measured using the projected unit actuarial method and are discounted at the current rate of return on a high quality corporate bond. Any increase in the present value of liabilities within the Group's defined benefit scheme expected to arise from employee service in the period is charged to operating profit. The expected return on the scheme's assets and the increase during the period in the present value of the scheme's liabilities arising from the passage of time are included in other finance income/costs. Actuarial gains and losses are recognised in the consolidated statement of total recognised gains and losses. (See note 4 for further details.)

Money purchase pension scheme

Contributions are charged to the profit and loss account as they fall due (See note 4 for further details).

Williams Motor Co. (Holdings) Limited

Notes to the accounts

for the year ended 31 December 2008

1 Turnover

Turnover is attributable to one continuing activity in the United Kingdom.

The directors do not wish to disclose the turnover by business segment as they believe it would be seriously prejudicial to the business.

2 Operating profit

	2008 £000	2007 £000
Operating profit is stated after charging:		
Auditors' remuneration		
- audit of the parent company	37	36
- audit of subsidiary companies	8	7
- taxation compliance	16	16
- other tax advisory services	46	37
Amortisation of goodwill	180	365
Depreciation	536	856
Operating lease rentals		
- plant and machinery	62	100
- land and buildings	252	262
Profit on disposal of fixed assets	(2)	(8)

3 Directors and employees

Group staff costs (including directors' remuneration) during the year were as follows:	2008 £000	2007 £000
Wages and salaries	16,340	16,335
Social security costs	1,738	1,778
Pension costs	491	521
	18,569	18,634

The monthly average number of persons, including directors, employed by the Group during the year was:

	2008 Number	2007 Number
Production	130	125
Sales and distribution	341	340
Administration	102	106
	573	571

Williams Motor Co. (Holdings) Limited

Notes to the accounts

for the year ended 31 December 2008

3 Directors and employees (*continued*)

The total amounts for parent company directors' remuneration (excluding pension contributions) were as follows:	2008 £000	2007 £000
Fees	53	63
Executive remuneration and benefits	316	450
	<u>369</u>	<u>513</u>

Number of directors to whom retirement benefits are accruing under defined benefit pension schemes in respect of qualifying services	2	2
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One director (2007: one) has benefits accruing under a Group Personal Pension scheme. Pension contributions of £11,424 (2007: £11,091) were made on behalf of this director.

Highest paid director

	2008 £000	2007 £000
Emoluments	197	323
Accrued pension at year end – defined benefit scheme - per annum	55	52

4 Pension costs

The Group operates a defined contribution pension scheme whose assets are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the group and amounted to £402,000 (2007 - £371,000).

Contributions totalling £34,000 (2007 - £35,000) were payable to the fund at the year end and are included in creditors.

The Group operates a defined benefit scheme in the UK. A full actuarial valuation was carried out at 30 June 2006 and updated to 31 December 2008 by a qualified independent actuary. The major assumptions used by the actuary were:

	2008 %	2007 %	2006 %
Discount rate at 31 December	6.70	5.80	5.15
Inflation	2.70	3.40	3.15
Future salary increases	3.30	4.00	5.15
Future pension increases	2.70	3.40	3.15
Expected returns on plan assets at 31 December			
Equities	6.70	7.50	7.50
Gilts	3.70	4.50	4.50
Corporate Bonds	6.70	5.80	5.15
Cash and other	2.00	5.50	4.75

Williams Motor Co. (Holdings) Limited

Notes to the accounts

for the year ended 31 December 2008

4 Pension costs (continued)

The mortality assumptions used in the valuation of the pension liabilities were:-

	2008	2007
Pre retirement mortality (non pensioners)	PA92 C2020	PA92 C2020
Post retirement mortality (non pensioners)	PA92 C2020	PA92 C2020
Post retirement mortality (pensioners)	PA92 C2010	PA92 C2010

The expected return on plan assets was determined by considering the expected returns available on the assets underlying the current investment portfolio. Expected yields on bonds are based on gross redemption yields at the balance sheet date whilst the expected returns on the equity and property investments reflect the long-term real rates of return experienced in the respective markets.

	2008 £000	2007 £000
<u>Analysis of amount charged to operating profit</u>		
Current service cost	(58)	(68)
Total operating charge	<u>(58)</u>	<u>(68)</u>
<u>Analysis of amount charged to other finance income</u>		
Expected returns on pension scheme assets	200	189
Interest on pension scheme liabilities	(152)	(143)
Net return	<u>48</u>	<u>46</u>
<u>Analysis of amount recognised in statement of total recognised gains and losses (STRGL)</u>		
Actual return less expected return on pension scheme assets	(846)	(103)
Experience gains and losses arising on scheme liabilities	(11)	13
Changes in assumptions underlying the present value of the scheme liabilities	573	398
Actuarial (loss)/gain recognised in STRGL	<u>(284)</u>	<u>308</u>
	2008 £000	2007 £000
<u>Changes in the present value of the defined benefit obligation</u>		
Opening defined benefit obligation	2,604	2,831
Service cost	58	68
Interest cost	152	143
Contributions by scheme participants	8	6
Actuarial gains	(562)	(411)
Benefits paid	(31)	(33)
Closing defined benefit obligation	<u>2,229</u>	<u>2,604</u>

Williams Motor Co. (Holdings) Limited

Notes to the accounts

for the year ended 31 December 2008

4 Pension costs (continued)

	2008 £000	2007 £000
<u>Changes in the fair value of plan assets</u>		
Opening plan assets	2,860	2,758
Expected return	200	189
Actuarial losses	(846)	(103)
Contributions by employer	52	43
Contributions by scheme participants	8	6
Benefits paid	(31)	(33)
Closing plan assets	2,243	2,860

The actual return on plan assets was a loss of £(646,000), (2007: gain of £86,000).

	2008 £000	2007 £000
Present value of funded obligations	(2229)	(2,604)
Fair value of plan assets	2,243	2,860
Surplus	14	256
Related deferred tax liability	(4)	(77)
Net pension asset	10	179

	Cumulative 2008 £000	Cumulative 2007 £000
<u>Analysis of amount recognised in statement of total recognised gains and losses (STRGL)</u>		
Actual return less expected return on pension scheme assets	(481)	431
Experience gains and losses arising on scheme liabilities	8	16
Changes in assumptions underlying the present value of the scheme liabilities	828	(98)
Recognition of GMP underpin liability	(210)	(210)
Actuarial gain recognised in STRGL	145	139

	2008 %	2007 %
<u>Major categories of plan assets as a percentage of fair value of total plan assets</u>		
Equities	78	74
Corporate bonds	13	17
Gilts	8	8
Cash and other	1	1
	100%	100%

Williams Motor Co. (Holdings) Limited

Notes to the accounts

for the year ended 31 December 2008

4 Pension costs (continued)

	2008 £000	2007 £000	2006 £000	2005 £000	2004 £000
Defined benefit obligation	(2,229)	(2,604)	(2,831)	(2,698)	(2,135)
Plan assets	2,243	2,860	2,758	2,301	1,713
Surplus / (deficit)	14	256	(73)	(397)	(422)
Experience adjustments on plan liabilities	562	411	55	(155)	(247)
Experience adjustments on plan assets	(846)	(103)	67	183	218

5 Interest payable (net)

	2008 £000	2007 £000
Interest receivable:		
Bank interest receivable	225	19
Net return on pension scheme	48	46
Interest receivable	273	65
Interest payable:		
Bank loans and overdrafts	(1,371)	(1,434)
Vehicle stocking finance	(335)	(297)
Finance lease and hire purchase contracts	(51)	(78)
Interest payable	(1,757)	(1,809)
Interest payable (net)	(1,484)	(1,744)

6 (a) Taxation

	2008 £000	2007 £000
Corporation tax:		
UK corporation tax at 28.5 % (2007: 30%)	-	1,234
Corporation tax (over)/under provided in prior years	(380)	12
	(380)	1,246
Deferred tax:		
Current year	(14)	23
Deferred tax under provided in prior years	78	17
	64	40
	(316)	1,286

Williams Motor Co. (Holdings) Limited

Notes to the accounts

for the year ended 31 December 2008

6 Tax - continued

(b) Factors affecting current tax charge

The reconciliation of the tax assessed on the profit on ordinary activities for the year compared to the standard rate of corporation tax in the UK of 28.5% (2007: 30%) is as follows:

	2008 £000	2007 £000
(Loss)/profit on ordinary activities before tax	(635)	4,020
(Loss)/profit on ordinary activities multiplied by rate of tax	(181)	1,206
Excess of depreciation over capital allowances	(37)	(84)
Expenses not deductible for tax purposes	166	93
Tax chargeable at lower rates	-	(12)
Other short term timing differences and unrealised tax losses	52	31
(Over)/under provision in prior years	(380)	12
Total current tax (note 6(a))	(380)	1,246

7 Dividends

	2008 £000	2007 £000
Interim ordinary: 110% (2007:110%) paid	287	287
Final ordinary: 175% paid (2007: 175%)	458	458
Dividends to equity shareholders	745	745

The final dividend paid in the year relates to profits earned during the year to 31 December 2007.

Williams Motor Co. (Holdings) Limited

Notes to the accounts

for the year ended 31 December 2008

8 Goodwill

	Group £000	Company £000
Cost or valuation		
At 1 January 2008	4,035	1,088
At 31 December 2008	4,035	1,088
Amortisation		
At 31 December 2007	1,952	1,055
Charge for year	180	33
At 31 December 2008	2,132	1,088
Net book value		
At 31 December 2008	1,903	-
At 31 December 2007	2,083	33

9 Tangible fixed assets

Group	Freehold land and buildings £000	Long leasehold land and buildings £000	Plant and equipment £000	Motor vehicles £000	Total £000
Cost or valuation					
At 1 January 2008	10,604	17,043	5,853	217	33,717
Additions	7,031	58	851	73	8,013
Transfers	-	127	(127)	-	-
Disposals	-	-	(8)	(34)	(42)
At 31 December 2008	17,635	17,228	6,569	256	41,688
Depreciation					
At 1 January 2008	446	718	3,919	164	5,247
Charge for year	64	187	253	32	536
Disposals	-	-	(2)	(15)	(17)
At 31 December 2008	510	905	4170	181	5,766
Net book value					
At 31 December 2008	17,125	16,323	2,399	75	35,922
At 31 December 2007	10,158	16,325	1,934	53	28,470

The net book value of plant and equipment above includes £184,000 (2007: £91,000) in respect of assets held under finance leases and hire purchase agreements.

Williams Motor Co. (Holdings) Limited

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for the year ended 31 December 2008

9 Tangible fixed assets (continued)

Company	Freehold land and buildings £000	Long leasehold land and buildings £000	Plant and equipment £000	Motor vehicles £000	Total £000
Cost or valuation					
At 1 January 2008	10,604	17,043	5,617	217	33,481
Additions	7,031	58	791	73	7,953
Transfers	-	127	(127)	-	-
Disposals	-	-	(9)	(34)	(43)
At 31 December 2008	17,635	17,228	6,272	256	41,391
Depreciation					
At 1 January 2008	446	718	3,792	164	5,120
Charge for year	64	187	213	32	496
Transfers	-	-	-	-	-
Disposals	-	-	(2)	(15)	(17)
At 31 December 2008	510	905	4,003	181	5,599
Net book value					
At 31 December 2008	17,125	16,323	2,269	75	35,792
At 31 December 2007	10,158	16,325	1,825	53	28,361

The net book value of plant and equipment above includes £184,000 (2007: £91,000) in respect of assets held under finance leases and hire purchase agreements.

10 Fixed asset investments

	2008 £000	2007 £000
Shares in subsidiary companies		
Cost		
At 1 January and 31 December	6,636	6,636

Williams Motor Co. (Holdings) Limited

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for the year ended 31 December 2008

10 Fixed asset investments (continued)

The under mentioned are subsidiary companies. All of the companies are incorporated in Great Britain and are registered in England. The parent company owns 100% of the share capital and voting rights of the companies.

Name of subsidiary	Country of incorporation	Type of share capital	Percentage of shares held by parent and group	Nature of business
Williams Motor Company Ltd	UK	Ordinary	100%	Motor dealership
Williams (Bolton) Ltd	UK	Ordinary	100%	Dormant
Williams Motor Company (Manchester) Ltd	UK	Ordinary	100%	Dormant
Williams Rochdale Ltd	UK	Ordinary	100%	Dormant
Orlando Street Bridge (Bolton) Ltd	UK	Ordinary	100%	Dormant
Nine Gorrells Way Ltd	UK	Ordinary	100%	Dormant

11 Stocks

	Group		Company	
	2008	2007	2008	2007
	£000	£000	£000	£000
Vehicles	30,967	47,586	26,908	43,392
Parts and other stocks	1,276	1,356	1,173	1,272
	<u>32,243</u>	<u>48,942</u>	<u>28,081</u>	<u>44,664</u>

The Group's stock of new vehicles are held on consignment from the manufacturers and are included within the balance sheet as consignment stock. Stocks of vehicles for the group shown above include £12,169,000 (2007: £9,740,000) in respect of vehicles held on consignment. The corresponding liabilities are shown under creditors.

12 Debtors

	Group		Company	
	2008	2007	2008	2007
	£000	£000	£000	£000
Due within one year:				
Trade debtors	3,147	4,872	3,061	4,567
Amounts owed by group undertakings	-	-	-	-
Other debtors	803	763	758	670
Pension scheme surplus	10	179	10	179
Corporation tax	368	-	289	-
Prepayments and accrued income	2,376	2,469	2,283	2,305
	<u>6,704</u>	<u>8,283</u>	<u>6,401</u>	<u>7,721</u>

Williams Motor Co. (Holdings) Limited

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for the year ended 31 December 2008

13 (a) Creditors: amounts falling due within one year

	Group		Company	
	2008	2007	2008	2007
	£000	£000	£000	£000
Bank loans and overdraft	853	4,959	2,379	4,708
Payments on account	601	739	559	667
New car stocking finance loans	12,157	9,714	9,170	7,864
Used/demonstrator vehicle finance loans	4,523	1,282	3,853	896
Trade creditors	9,881	22,059	9,200	21,256
Amounts owed to group undertakings	-	-	10,391	11,007
Other creditors	630	918	589	867
Other loans	250	200	250	200
Corporation tax	-	495	-	420
Other taxation and social security costs	1,439	702	1,315	599
Accruals and deferred income	2,150	2,555	2,067	2,483
Finance leases and hire purchase contracts	6	8	6	8
	<u>32,490</u>	<u>43,631</u>	<u>39,779</u>	<u>50,975</u>

The bank loans and overdraft facility are secured by fixed and floating charges over the group's assets.

Finance lease and hire purchase liabilities are secured upon the underlying assets.

Vehicle stocking finance is secured by a charge on the vehicles concerned, which are included in vehicle stocks.

A commercial rate of interest is charged on all loans and overdrafts.

13 (b) Creditors: Amounts falling due after more than one year

	Group		Company	
	2008	2007	2008	2007
	£000	£000	£000	£000
Bank loans	16,986	16,686	16,986	16,686
Other loans	1,000	-	1,000	-
Finance leases and hire purchase contracts	20	-	20	-
	<u>18,006</u>	<u>16,686</u>	<u>18,006</u>	<u>16,686</u>

Williams Motor Co. (Holdings) Limited

Notes to the accounts

for the year ended 31 December 2008

13 (b) Creditors: amounts falling due after more than one year (*continued*)

Finance leases and hire purchase contracts

The maturity of these amounts is as follows:

	Group		Company	
	2008	2007	2008	2007
	£000	£000	£000	£000
In one year or less	6	8	6	8
Between one and two years	6	-	6	-
Between two and five years	14	-	14	-
	<u>26</u>	<u>8</u>	<u>26</u>	<u>8</u>

Bank loans

The maturity of these amounts is as follows:

	Group		Company	
	2008	2007	2008	2007
	£000	£000	£000	£000
In one year or less	700	700	700	700
Between one and two years	700	12,836	700	12,836
Between two and five years	16,286	3,850	16,286	3,850
After five years	-	-	-	-
	<u>17,686</u>	<u>17,386</u>	<u>17,686</u>	<u>17,386</u>

The group has four bank loan arrangements in place. £4,550,000 repayable by annual instalments of £700,000 and a final payment of £3,150,000 in 2011. Loans of £4,310,000, £2,601,000, £2,469,000 and £3,756,000 are repayable in full in March 2011. Interest is payable on all loans at a rate of 1.70% over LIBOR.

The group has entered into two interest rate swap agreements totalling £15,000,000 at a LIBOR rate of 4.25% until October 2011. The bank has an option to terminate the agreement within 3 months from April 2009 onwards.

Other loans

The maturity of these amounts is as follows:

	Group		Company	
	2008	2007	2008	2007
	£000	£000	£000	£000
In one year or less	250	200	250	200
Between one and two years	250	-	250	-
Between two and five years	750	-	750	-
	<u>1,250</u>	<u>200</u>	<u>1,250</u>	<u>200</u>

Williams Motor Co. (Holdings) Limited

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for the year ended 31 December 2008

14 Deferred taxation

	Group £000	Company £000
At 31 December 2007	393	394
Charged in the year	64	119
At 31 December 2008	<u>457</u>	<u>513</u>

Provision for deferred tax has been made up as follows:

	Group		Company	
	2008 £000	2007 £000	2008 £000	2007 £000
Excess of capital allowances over depreciation	692	559	695	560
Short term timing differences	(183)	(166)	(182)	(166)
Unrelieved tax losses and other deductions	(52)	-	-	-
	<u>457</u>	<u>393</u>	<u>513</u>	<u>394</u>

15 Reconciliation of shareholders' funds

	Group		Company	
	2008 £000	2007 £000	2008 £000	2007 £000
Balance at 1 January 2008	27,100	24,902	19,392	17,259
(Loss)/profit for the financial year	(319)	2,734	182	2,669
Dividends paid	(745)	(745)	(745)	(745)
Actuarial (loss)/ gain on pension scheme	(284)	308	(284)	308
Deferred tax movement relating to the pension scheme	73	(99)	73	(99)
Net (reduction)/ addition to shareholders' funds	<u>(1,275)</u>	<u>2,198</u>	<u>(774)</u>	<u>2,133</u>
Closing shareholders' funds	<u>25,825</u>	<u>27,100</u>	<u>18,618</u>	<u>19,392</u>

All shareholders' funds are classed as equity.

Williams Motor Co. (Holdings) Limited

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for the year ended 31 December 2008

16 Called up share capital

	Authorised		Allotted, called up and fully paid	
	2008 Number	2007 Number	2008 Number	2007 Number
'B' Ordinary shares of £1 each	5,000	5,000	5,000	5,000
'C' Ordinary shares of £1 each	295,000	295,000	256,395	256,395
	<u>300,000</u>	<u>300,000</u>	<u>261,395</u>	<u>261,395</u>

'C' Ordinary shares rank pari passu in all respects to 'B' Ordinary shares save that they have no voting rights except on the winding up of the company.

17 Reserves

	Group		Company	
	Share premium account £000	Profit and loss account £000	Share premium account £000	Profit and loss account £000
At 1 January 2008	124	26,715	124	19,007
Loss/(profit) for the year	-	(319)	-	182
Dividends paid	-	(745)	-	(745)
Actuarial loss recognised in pension scheme	-	(284)	-	(284)
Movement in deferred tax relating to pension liability	-	73	-	73
At 31 December 2008	<u>124</u>	<u>25,440</u>	<u>124</u>	<u>18,233</u>

The company has taken advantage of Section 230 of the Companies Act 1985 and not published its own profit and loss account. Included in the consolidated profit and loss account attributable to shareholders is a profit of £182,000 (2007: £2,669,000), which has been dealt with in the accounts of the parent undertaking.

Williams Motor Co. (Holdings) Limited

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for the year ended 31 December 2008

18 Cash flow statement

a) Reconciliation of operating profit to net cash inflow from operating activities

	2008 £000	2007 £000
Operating profit	849	5,764
Depreciation	536	856
Amortisation	180	365
Profit on sale of fixed assets	(2)	(8)
Decrease/(increase) in stocks	16,699	(15,414)
Decrease in debtors	1,778	2,203
(Decrease)/increase in creditors	(9,829)	15,425
FRS 17 effect on pension costs	(42)	(21)
Net cash inflow from operating activities	10,169	9,170

b) Reconciliation of net cash flow to movement in net funds

	2008 £000	2007 £000
Increase in cash	4,080	3,029
Capital element of finance lease and hire purchase rentals	14	114
Change in net debt resulting from cash flows	4,094	3,143
New loans	(5,523)	-
Repayment of loans	900	944
Movement in net debt	(529)	4,087
Net debt at 1 January 2008	(23,103)	(27,190)
Net debt at 31 December 2008	(23,632)	(23,103)

Williams Motor Co. (Holdings) Limited

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18 Cash flow statement (*continued*)

c) Analysis of changes in net debt

	At 31 December 2007 £000	Cash flow £000	At 31 December 2008 £000
Cash at bank and in hand	32	(26)	6
Bank overdraft	(4,259)	4,106	(153)
	(4,227)	4,080	(147)
Finance leases and hire purchase agreements	(8)	(18)	(26)
Bank loan	(17,386)	(300)	(17,686)
Used/demonstrator vehicle finance	(1,282)	(3,241)	(4,523)
Other loans	(200)	(1,050)	(1,250)
	(18,876)	(4,609)	(23,485)
Total	(23,103)	(529)	(23,632)

19 Operating lease commitments

At 31 December 2008 the group had annual commitments under non-cancellable operating leases as set out below:

	31 December 2008		31 December 2007	
	Land and buildings £000	Other £000	Land and buildings £000	Other £000
Operating leases which expire:				
- within one year	128	8	155	12
- within two to five years	-	8	58	13
- after more than five years	-	-	-	-
	128	16	213	25

20 Capital commitments

Amounts contracted for but not provided in the group accounts amount to £1,042,000 (2007: £6,767,000).

21 Contingent liabilities

The company has entered into cross guarantees in respect of the bank borrowings of its subsidiary companies, Williams Motor Company Limited, Williams (Bolton) Limited, Williams Motor Company (Manchester) Limited and Williams Rochdale Limited. These guarantees are unlimited. The total group bank borrowings as at 31 December 2008 were £17,839,000 (2007: £21,645,000)

Williams Motor Co. (Holdings) Limited

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22 Related party transactions

The company has chosen to take advantage of the exemption provided under FRS 8 "Related party transactions" from disclosing transactions with group companies.

No other transactions have occurred which would require disclosure under FRS 8.

23 Ultimate controlling party

There is no ultimate controlling party of the company.